GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2185
ANSWERED ON:29.07.2016
CST Compensation
Fatepara Shri Devajibhai Govindbhai;Yadav Shri Om Prakash

Will the Minister of FINANCE be pleased to state:

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(a) whether the Government has made any specific policy to compensate Central Sales Tax (CST) losses to the States for 2013-14, 2014-15;
(b) if so, the details thereof; and
(c) if not, the reason therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a): The Empowered Committee had recommended to pay 100% CST compensation for year 2010-11, 75% CST compensation for 2011-12 and 50% CST compensation for 2012-13. Union Cabinet in its meeting held on 17.03.2015 had approved payment of CST compensation as per EC recommendation. Accordingly, Central Government (Department of Revenue) has released total Rs.17118.02 crore towards payment of CST compensation to the States/ UT's for the year 2010-11. Similarly, CST compensation to States/ UT's for year 2011-12 has been calculated as per EC recommendation and 2008 guidelines and total amount of Rs. 16315.25 crore, as CST compensation to States /UTs for year 2011-12, has been released in financial year 2015-16. CST compensation to States/ UT's for year 2012-13 is proposed to be paid in two installments in financial year 2016-17. Accordingly 1st installment of Rs. 5854.73 crore has been released in July 2016. Second installment is proposed to be released in second half of current financial year.

(b) & (c): Does not arise in view of reply to the part (a).